



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
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BOARD OF SUPERVISORS

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November 20, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1) Account Number - 4931153	\$7,500
(2) Account Number - 5133546	\$240,000
(3) Account Number - 5403213	\$327,184
(4) Account Number - 5516360	\$384,408

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department will be able to receive under the tort settlement involved in this case. The compromise offers of settlement for patient accounts (2) - (4) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payments totaling approximately \$959,092, from one patient's proceeds due from third-party liability settlement, and from three patients' insurance (Commercial or HMO) companies, for the medical care provided.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

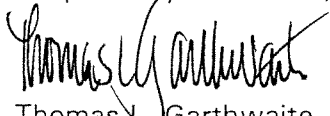
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

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Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: November 20, 2003

Total Charges	\$69,012	Account Number	4931153
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$69,012	Date of Service	10/12/02 -10/21/02
Compromise Amount Offered	\$7,500	Facility	MLK/Drew Medical Center
Amount to be Written Off	\$61,512		

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at MLK/Drew and incurred total inpatient charges of \$69,012 for medical services rendered.

The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$8,333	\$ 8,333	33%
MLK/Drew(I/P accounts)	\$69,012	\$7,500	30%
Other Lien Holders	\$971	\$971	3.3%
Net to Patient		\$8,196	32.7%
Total	\$78,816	\$25,000	100.0%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/Drew.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: November 20, 2003

Total Charges	\$440,310	Account Number	5133546
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$440,310	Date of Service	02/12/03-03/14/03
Compromise Amount Offered	\$240,000	% Of Settlement	55% of Gross Charges
Amount to be Written Off	\$200,310	Facility	MLK/Drew Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: November 20, 2003

Total Charges	\$408,980	Account Number	5403213
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$408,980	Date of Service	04/18/03-05/22/03
Compromise Amount Offered	\$327,184	% Of Settlement	80% of Gross Charges
Amount to be Written Off	\$81,796	Facility	HUCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: November 20, 2003

Total Charges	\$512,544	Account Number	5516360
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$512,544	Date of Service	04/18/03-05/22/03
Compromise Amount Offered	\$384,408	% Of Settlement	75% of Gross Charges
Amount to be Written Off	\$128,136	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.